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SUBJECT: JUNE 1 MFA PRESS BRIEFING: IRAN NUCLEAR ISSUE,
HAMAS FM VISIT, U.S.-CHINA ECONOMIC COOPERATION, DPRK FM'S
VISIT, CHINA-JAPAN DIALOGUE, DALAI LAMA, INTERNET, JUNE
4TH, LAI CHANGXING

Summary

¶1. Key points made at the June 1 MFA press briefing
are as follows:

-- China welcomes U.S. gestures and willingness to
resolve the Iran nuclear issue through dialogue, while
not supporting the "arbitrary" use of sanctions in
handling international affairs.

-- Addressing the China-Arab Cooperation Forum,
Palestinian FM Al-Zahhar stated that the Palestinians
will earnestly study the Arab Peace Initiative, and
China welcomes his remarks.

-- Beijing is prepared to promote economic cooperation
with Washington.

-- During his visit to Beijing, FM Paek raised
Pyongyang's concerns regarding the Six-Party Talks.

-- The resumption of the China-Japan Security Dialogue
will help improve bilateral ties and address both
countries' security concerns.

-- China opposes any country's granting the Dalai Lama
a platform to engage in separatist activities.

-- The channel for Chinese people to obtain
information from the Internet is "unimpeded."

-- Asked to comment on the upcoming anniversary of the
June Fourth Tiananmen Square crackdown, the MFA
spokesperson remarked that a "conclusion" has been
reached on the "political incidents."

-- China and Canada remain in contact on the matter of
fugitive Lai Changxing's repatriation.

-- Kyrgyz President Bakiyev will visit China June 9-

¶10. End Summary.

China Welcomes U.S. Gestures on Iran

¶2. During the regular June 1 MFA press briefing, foreign correspondents asked for China's comment on Iran's reaction to the U.S. proposal regarding direct dialogue with Iran, as well as Secretary Rice and Foreign Minister Li Zhaoxing's May 31 conversation, reported briefly by Xinhua. Remarking that Tehran's reaction is its "own decision," MFA Spokesperson Liu Jianchao expressed support for any efforts to achieve a political resolution to the Iran nuclear issue. China welcomes U.S. gestures and willingness to resolve the issue through dialogue. Direct dialogue and building mutual confidence will help create conditions for a proper resolution.

¶3. During Secretary Rice's conversation with FM Li, the Secretary expounded on the U.S. position on Iran and FM Li reiterated the need to safeguard the authority of the international nonproliferation regime, according to Liu. China is prepared to maintain close contact with the United States and other nations, hoping that through joint efforts the parties will reach a "package solution" that is acceptable to all countries concerned. Asked about the Iranian FM's reported assertions that Iran will not cease its enrichment activities, Liu remarked that Washington is in a better position to respond to these comments.

¶4. Questioned about China's stated opposition to sanctions and whether it is linked to China-Iran oil deals, Liu noted that Beijing does not support the

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"arbitrary" use of sanctions in handling international affairs. A political resolution serves the interests of all parties, which, including the United States, have all expressed support for a diplomatic solution. Liu stressed that maintaining the international nonproliferation regime serves the interests of the whole world. While Beijing and Tehran are engaged in energy cooperation, China is not pursuing its exclusive interests with regard to a resolution to the nuclear issue. China advocates a diplomatic resolution to many issues, such as the DPRK nuclear issue, and upholds a consistent policy of not resorting to sanctions in handling international affairs, Liu highlighted. Perceiving China's stance as an attempt to protect its own interests is not helpful, he remarked.

China-Arab Cooperation Forum, Palestinian FM Visit

¶5. Responding to several reporters' questions regarding Palestinian Foreign Minister Mahmoud Al-Zahhar's participation in the May 31-June 1 Second Ministerial Meeting of the China-Arab Cooperation Forum in Beijing, Liu noted that FM Al-Zahhar addressed the Forum as the head of the Palestinian delegation. Liu confirmed that FM Li will meet Al-Zahhar on the afternoon of June 1.

¶6. Responding to the Xinhua correspondent's question, Liu stated that Chinese and Arab delegates agreed that relevant UN Resolutions and the principle of Land-for-Peace should form the basis of a "just and reasonable" resolution to the Middle East conflict. FM Al-Zahhar stated that the Palestinians will earnestly study the Arab Peace Initiative. China welcomes FM Al-Zahhar's remarks and views them as a positive signal. Beijing supports any plan, including the Arab Peace Initiative, which supports a political resolution. China hopes the international community will continue to make concerted efforts to encourage the

Palestinians to proceed from the fundamental interest of Middle East peace and adopt a more active approach to renouncing violence, accepting existing Israeli-Palestinian agreements and resuming talks with Israel. The Palestinian Authority is the "legally elected government" of the Palestinian people, and this choice should be respected, Liu remarked. China supports the Palestinian's right to an independent state. Beijing has never designated Hamas a terrorist organization. Chinese economic aid to the Palestinians was not raised at the Forum, but taking into consideration Palestinians' humanitarian needs, China will continue to provide assistance within its own capacity.

¶17. Asked about the content of the Forum, Liu noted that President Hu Jintao addressed the participants and that State Councilor Tang Jiaxuan discussed the "new partnership." Participants also signed a Joint Communique and designed a future action plan. In addition to political, economic and trade discussions, they agreed to cooperate in investment and environmental protection as well as expand people-to-people exchanges. Energy cooperation is an important component of China-Arab relations, Liu acknowledged.

China-U.S. and China-EU Economic Ties

¶18. Asked by the Dow Jones correspondent whether the appointment of a new Treasury Secretary will affect U.S.-China economic relations, Liu stated that Beijing is prepared to promote economic cooperation with Washington. China will continue to adhere to its "consistent principle" in handling the RMB exchange rate issue. Liu noted that EU Trade Commissioner Mandelson will visit China June 5-9. Mandelson will

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meet with Minister of Commerce Bo Xilai and discuss IPR protection and the Doha Development Agenda.

DPRK FM's Visit

¶19. DPRK Foreign Minister Paek Nam Sun met with Premier Wen Jiabao and FM Li during the first part of his May 30-June 6 visit to China. FM Paek discussed Pyongyang's concerns regarding the Six-Party Talks, Liu noted, highlighting that the goal is to achieve a nuclear-free Korean Peninsula. China hopes the relevant parties will take a flexible attitude and make efforts to resume the Talks. FM Paek will travel to Guangzhou on the afternoon of June 1, Liu noted. Asked about a Korean Central News Agency (KCNA) report that North Korea has extended an invitation to A/S Hill, Liu said he had not seen such reports but stated that contact and candid exchanges between Washington and Pyongyang is conducive to a resolution of the DPRK nuclear issue.

Sino-Japanese Talks

¶10. The agreement reached by FM Li and Japanese FM Aso on the sidelines of the Asia Cooperation Dialogue (ACD) to resume the China-Japan Security Dialogue will help improve bilateral ties and address both countries' security concerns, Liu commented. China hopes the Dialogue will resume at an early date. Asked about a possible reinstatement of military-to-military exchanges, Liu remarked that Beijing is in favor of any actions that help improve Sino-Japanese relations. He predicted that the next round of East China Sea talks will occur in the near future and expressed the hope that the talks will help narrow differences.

Dalai Lama's Trip to Belgium

¶11. Asked to comment on the Dalai Lama's trip to Belgium, Liu reiterated Beijing's position that the Dalai Lama is a "political exile" engaged in activities to "split the motherland." China opposes any country's granting him a platform to engage in separatist activities and has made representations to the relevant country.

China's Internet "Unimpeded"

¶12. Asked to respond to an International Press Institute report on China's media censorship, Liu highlighted that China has over 100 million Internet users and over 1.3 million online discussion websites. The channel for Chinese people to obtain information from the Internet is "unimpeded," he maintained, arguing that the report's accusations are false. Similar to the practices of Western countries, China manages the Internet in accordance with the law in order to safeguard people's security.

June Fourth Anniversary

¶13. Questioned about the upcoming 17th anniversary of the June Fourth Tiananmen Square crackdown, Liu remarked that a "conclusion" has been reached on the "political incidents" that occurred in China at the end of the last century.

Li Changxing

¶14. Questioned about the status of fugitive Li

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Changxing, Liu noted that China and Canada remain in contact on the matter of Lai's repatriation.

Kyrgyz President to Visit

¶15. Liu announced that Kyrgyz President Bakiyev will visit China June 9-10.
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